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UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION
SHIPPING AND STORAGE BRANCH
WASHINGTON 25, D. C.

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Shipping
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SHIPPING AND STORAGE BRANCH MEMORANDUM NO. 77.1 - REV. 1

Justification for Incurring Additional Charges Occasioned by Loss
of Transit Privileges

I General

- A. This procedure will establish responsibilities of the Program Management and Storage Divisions of the Shipping and Storage Branch and of the Regional Shipping and Storage Divisions in instances where the meeting of a specific program requirement may result in extra shipping charges due to any loss of transit privileges, circuitous routings, or backhauls that may be required to bring the commodity to a specified port area.
- B. Prior to the issuance of "Request for Delivery," (Form CCC-140), the Program Management Division will set up an availability for each requirement.
 1. Availability is established by means of a telephone conversation between the Program Manager (Program Management Division) and the Commodity Unit Head (Storage Division).
 - a. The Program Manager will inquire if a given commodity is available or may be made available for loading onto a certain vessel on or before a specified date.
 - b. The Commodity Unit Head will advise if the commodity can be furnished as requested.
 - c. The "Request for Delivery," (Form CCC-140) is prepared by the appropriate Program Manager of the Program Management Division who is responsible for the particular program, and distributed:

2 copies to regional office of destination
2 copies to Storage Division

II Selection of Source of Supply

- A. The Storage Division, from its inventory information, selects the region or regions to furnish the commodity requested in Form CCC-140 and teletypes the regional office(s) instructing them to determine the specific source of supply to make shipment to program.

III Responsibility of Region of Origin to Notify Storage Division (Washington) when Out of Line Move will be Involved

A. The Storage Section of the region of origin, following the receipt of teletype "Request for Source of Supply" from the Storage Division in Washington requesting that a commodity be made available for program shipment, will select the immediate source of supply and consult with the Shipping Section in the region of origin to determine whether or not there will be a loss of transit if the shipment is made as requested. If the Shipping Section advises that shipment would constitute an out-of-line move, the Storage Section shall:

1. Teletype the Chief, Storage Division, Shipping and Storage Branch in Washington.

a. The teletype message should state whether any portion of shipment may be made without "loss of transit". For example, if a total of 9 cars are ordered to a program; and 5 cars can be shipped, but 4 cars would involve an "out-of-line" move, the teletype message should report:

"Can ship 5 cars as ordered.
Remaining 4 cars will involve
loss of transit. Advise."

The regional office will hold the request in abeyance until advice is received from the Storage Division in Washington.

IV Responsibility of Storage Division When Apprised of Out-of-Line Move

A. The Chief, Storage Division, Shipping and Storage Branch in Washington, upon receipt of advice from the Storage Section of the region of origin that supplying commodity as requested, will constitute an "out-of-line" move, shall instruct the Commodity Unit Head to:

1. Notify Program Manager in charge of the particular program that shipment, as requested, would constitute an "out-of-line" movement. Inquiry should be made of Program Manager if another commodity may be substituted in view of the extra charges.

2. Return Form CCC-140 to Program Manager.

- a. After the Program Manager has taken the steps mentioned in Paragraph V of this memorandum he will return Form CCC-140 to Storage Division.
- B. When Form CCC-140 is returned to the Storage Division by the Program Management Division with authorization to incur any necessary extra charges in order to bring commodity to port, the Chief of the Storage Division will review the "Request for Delivery" Form CCC-140 and decide as to the necessity for "out-of-line" move taking the following facts into consideration.
 1. Same commodity not available at another location.
 2. Movement necessary to protect quality of commodity.
- C. The Chief, Storage Division, if he concurs, shall initial Form CCC-140 and shall teletype the region of origin to supply the commodity as requested regardless of the "out-of-line" move, and request that the application be furnished.
- D. When extra shipping charges due to "out-of-line" move are not authorized by the Program Management Division, and the Form CCC-140 is cancelled (See Paragraph V, C of this memorandum) the Chief, Storage Division shall teletype the region of origin to cancel all (or part) of the original Form CCC-140.

V Responsibility of Program Management Division to Authorize an Out-of-Line Movement

- A. Whenever a Program Manager receives advice (usually by the return of Forms CCC-140) that shipment, if made, will incur extra charges because it will constitute an "out-of-line" movement, he shall:
 1. Attempt to make a satisfactory substitution of another commodity.
 2. Consult with Program Liaison Branch in considering the justification of an "out-of-line" move.
- B. After a careful review of the case, if the Program Manager finds there is no alternative except to obligate the Shipping and Storage Branch for added transportation cost due to inability to make a satisfactory substitution, he shall:
 1. Insert the following on "Request for Delivery" (Form CCC-140) in upper left port of the form.

"Furnish commodity
regardless excess
shipping charges".

This statement MUST be initialed by the Chief of the Program Management Division or his assistant and will serve as final authorization to the Chief of the Storage Division to furnish a specified commodity within a specified period regardless of extra shipping charges.

- C. If the decision of the Program Management Division provides for a substitution of the commodity, the Program Manager shall:
 - 1. Prepare a memorandum to the Storage Division requesting the cancellation of the original Form CCC-140. (A new Form CCC-140 for the commodity to be furnished as a substitution will be prepared by the Program Manager and transmitted to the Storage Division.)
- D. If the Program Manager finds that the extra costs for the "out-of-line" move are not justified by the demands of the particular program, he shall arrange with the Program Liaison Branch to cancel the request. He shall prepare a memorandum to the Storage Division requesting cancellation of the Form CCC-140.

VI Authority of Regional Shipping and Storage Divisions to Approve Loss of Transit if Only Approved Warehouse Results in Backhauling or Circuitous Routing or Demurrage Charges

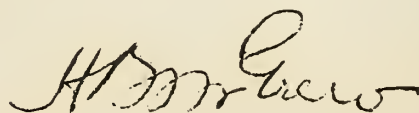
- A. The Regional Shipping and Storage Divisions are authorized to incur extra transportation charges provided:
 - 1. The only available storage that would not violate transit privileges is on the "Not to be Used" list. No commodities shall be placed in any warehouse which is not an "Approved" warehouse.
 - 2. That the Regional Shipping and Storage Division, when it initiates such "out-of-line" move shall include on the order ticket a statement:

"Out-of-Line" move required to
place commodity in approved warehouse.

This statement MUST be initialed by the Chief, Storage Section of the appropriate Regional Shipping and Storage Division

VII Superseding Instruction

This memorandum becomes effective October 1, 1945 and supersedes Shipping and Storage Branch Memorandum No. 77.1, dated May 17, 1945.



Director, Shipping and Storage Branch